

Steel

Non-rated

February steel production updates

Solid construction steel sale volume

- On March 16, Vietnam Steel Association (VSA) publicized the slightly increasing Feb steel production volume of 2.41mn tonnes, +2% mom, +17.1% yoy. The steel pipes increased to 175,481 tonnes, +9.6% mom, +34.5% yoy while construction steel decreased by 4.9% mom but +40.4% yoy.
- The consumption volume was up 7.1% mom to 2.4mn tonnes, +32.9% yoy.
- Breaking down domestic sale volume (1.9mn tonnes, +20.2% mom, +52.3% yoy), we witnessed the increasing consumption in most finished steel products on month-on-month basic. Steel pipes domestic sale volume was a bright spot with 210,722 tonnes, +47.5% yoy, +44.2% mom.
- The export-driven volume was 469,369 tonnes, -26.2% mom, -12.9% yoy.
- Steel inventory as of end-Feb was 1.22mn tonnes, decreasing by 8.8% mom but increasing by 5.6% yoy.
- The movements of raw material input prices were in the uptrend in the last 30 days: as of Mar 16, iron ore was around USD140/mt (+5USD/mt), China hot roll coil (HRC) increased to USD792/mt (+2USD/mt); Aust hard coking coal spiked to USD630/mt (+242USD/mt).
- Based on quoted prices of Hoa Phat steel bar in Feb, the local prices of steel products were VND17.06mn/tonne. However, in first 2 weeks of March, we already witnessed Hoa Phat increased the selling price two times with total VND1.2mn/tonne amid input price hike.

2M22 promising performance

- Overall, Vietnam produced 4.77mn tonnes in the first 2M22 (+1.4% yoy). The total sale volume was also encouraging (4.6mn tonnes, +18.6% yoy).
- In detail, the local consumption volume was 3.5mn tonnes, +21.3% yoy while the export volume was 1.1mn tonnes, +10.8% yoy.

Figure 1. Domestic Demand & Export



Source: VSA, Fiinpro

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Table 1. Sales volume growth (Tonnes)

	Monthly				Accumulated		
	Feb-21	Feb-22	MoM (%)	YoY (%)	2M21	2M22	YoY (%)
Steel Pipes	161,799	228,423	39.0	41.2	339,100	392,790	15.8
Export	15,698	17,701	(17.5)	12.8	41,890	39,167	(6.5)
Domestic	146,101	210,722	47.5	44.2	297,210	353,623	19.0
Steel Coat	345,088	374,269	(14.3)	8.5	731,808	811,119	10.8
Export	220,613	162,434	(43.7)	(26.4)	427,603	451,128	5.5
Domestic	124,475	211,835	43.0	70.2	304,205	359,991	18.3
Steel Constru'	610,779	1,046,658	15.5	71.4	1,279,156	1,952,543	52.6
Export	109,702	161,095	(26.2)	46.8	225,978	379,483	67.9
Domestic	501,077	885,563	28.8	76.7	1,053,178	1,573,060	49.4
Steel Coil	694,640	759,670	2.3	9.4	1,577,476	1,502,004	(4.8)
Export	193,039	128,139	19.7	(33.6)	301,428	235,172	(22.0)
Domestic	501,601	631,531	(0.6)	25.9	1,276,048	1,266,832	(0.7)
Total Steel Volume	1,812,306	2,409,020	7.1	32.9	3,927,540	4,658,456	18.6
Export	539,052	469,369	(26.2)	(12.9)	996,899	1,104,950	10.8
Domestic	1,273,254	1,939,651	20.2	52.3	2,930,641	3,553,506	21.3

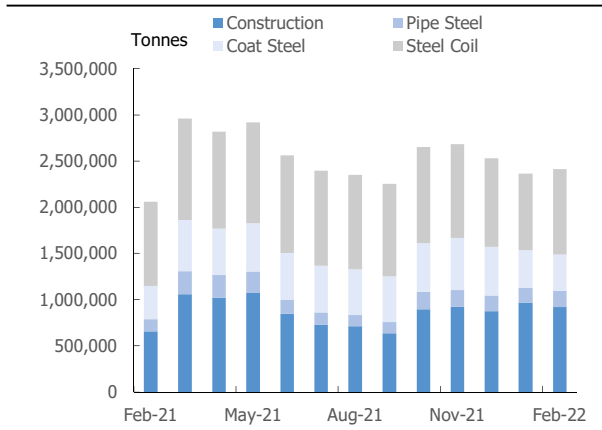
Source: VSA, KIS

Table 2. Production volume growth (Tonnes)

	Monthly				Accumulated		
	Feb-21	Feb-22	MoM (%)	YoY (%)	2M21	2M22	YoY (%)
Steel Pipes							
Production	130,436	175,481	9.6	34.5	329,288	335,534	1.9
Inventories	75,875	59,337	(18.5)	(21.8)			
Steel Coat							
Production	361,461	389,658	(4.5)	7.8	819,842	797,717	(2.7)
Inventories	219,162	193,662	(5.8)	(11.6)			
Steel Constru'							
Production	656,310	921,726	(4.9)	40.4	1,625,366	1,891,423	16.4
Inventories	703,904	732,255	(9.0)	4.0			
Steel Coil							
Production	911,203	924,343	11.8	1.4	1,936,114	1,751,202	(9.6)
Inventories	159,683	237,856	(7.6)	49.0			
Total							
Production	2,059,410	2,411,208	2.0	17.1	4,710,610	4,775,876	1.4
Inventories	1,158,624	1,223,110	(8.8)	5.6			

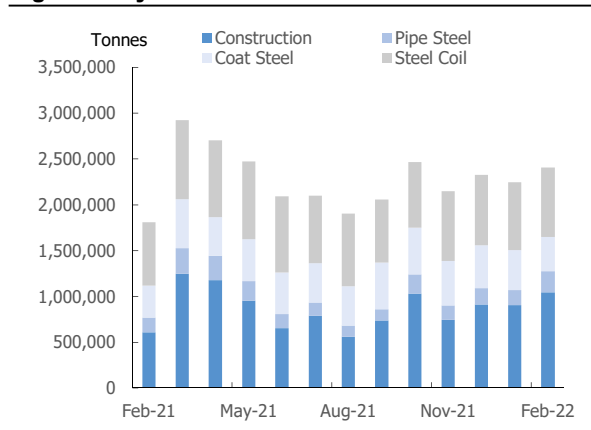
Source: VSA, KIS

Figure 2. Steel production increased in February



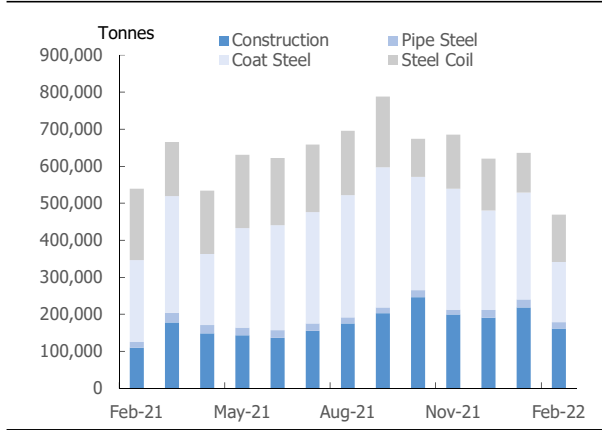
Source: VSA, Fiinpro

Figure 3. Total steel consumption increased significantly in Feb



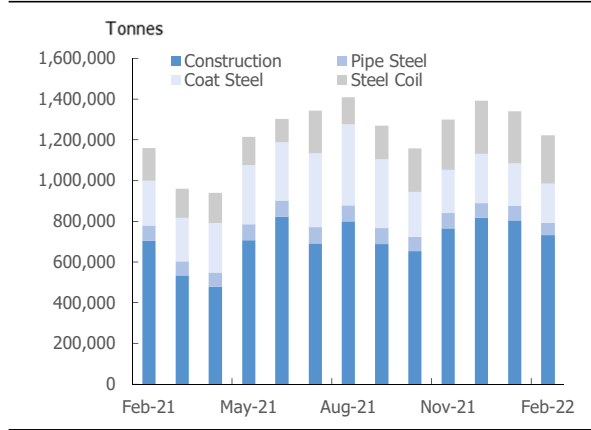
Source: VSA, Fiinpro

Figure 4. Export volume was down amid domestic revival



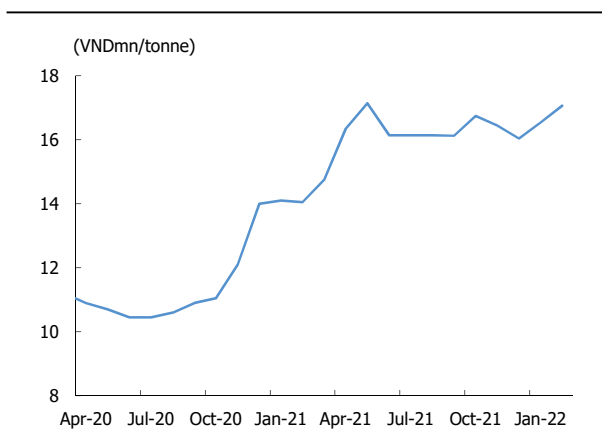
Source: VSA, Fiinpro

Figure 5. Inventory volume still healthy



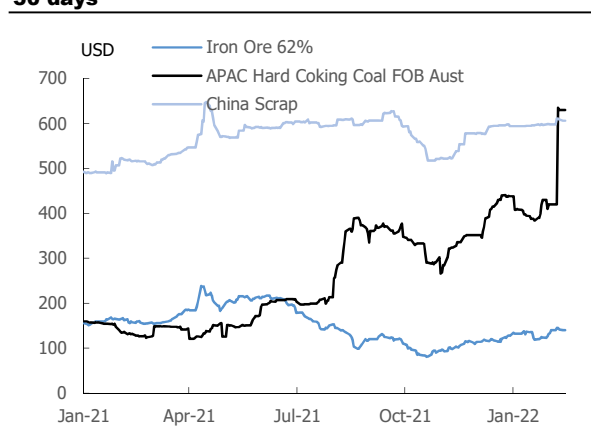
Source: VSA, Fiinpro

Figure 8. Selling price of steel bar was up in Feb



Source: Fiin, Hoa Phat

Figure 9. Material input prices in uptrend in the last 30 days



Source: Bloomberg

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